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January 21, 2000

Sent via e-mail and U.S. mail, fax, or hand-delivery

Mary L. Cottrell, Secretary
Massachusetts Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

Re: Bell Atlantic Company - Fifth Annual Price Cap Compliance Filing, D.T.E. 99-102

Dear Ms. Cottrell:

Enclosed for filing in connection with the above-referenced proceeding, please find the Attorney General's Request for Evidentiary Proceedings, a proposed procedural schedule, as well as a Certificate of Service.

Sincerely,

Karl en J. Reed
Assistant Attorney General
Regulated Industries Division
200 Portland Street, 4th Floor
Boston, MA 02114
(617) 727-2200

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Enc.

cc: Joan Foster Evans, Hearing Officer (w/2 enc.)

Mike Isenberg, Director, Telecommunications Division (w/enc.)

Berhane Adhanom, Analyst, Telecommunications Division (w/enc.)

Barbara Anne Sousa, Esq. (w/enc.)

D.T.E. 99-102 Service List (w/enc.)

THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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New England Telephone and Telegraph Company)

d/b/a Bell Atlantic-Massachusetts) D.T.E. 99-102

Fifth Annual Price Caps Compliance Filing)

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ATTORNEY GENERAL'S

REQUEST FOR EVIDENTIARY PROCEEDINGS

Pursuant to the procedural schedule issued by the Department of Telecommunications and Energy ("Department" or "DTE") on January 6, 2000, the Attorney General submits this Request for Evidentiary Proceedings on Bell Atlantic's Fifth Annual Price Caps Compliance Filing ("Filing"). In particular, the Attorney General has identified three issues to be addressed in evidentiary proceedings.

1. Whether the Department should allow Bell Atlantic's proposal to reduce the productivity offset used in the price cap formula from 4.1 percent to 2.94 percent. Although the Attorney General is prepared to commence briefing on this issue without further evidentiary investigation, the Attorney General is also prepared to present evidence to refute Bell Atlantic's factual assertions regarding the meaning of testimony given by the Attorney General's witness in D.P.U. 94-50 on removal of the productivity offset. See DTE 99-102, Bell Atlantic Reply Comments at 3-4 (January 3, 2000).

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2. Whether Bell Atlantic's proposal to eliminate the charges to its business customers for Touch-Tone service while continuing to collect a \$.49 monthly charge from its residential customers for the same service should be allowed. The Department found in its recent interlocutory order that evidence of compliance with the pricing rules established in NYNEX, D.P.U. 94-50 (1995) was sufficient to make a prima facie showing that the Touch-Tone rates were reasonable (Bell Atlantic Company - Fifth Annual Price Cap Compliance Filing, D.T.E. 99-102, p. 8 [January 13, 2000]). However, the Attorney General submits that evidentiary hearings are necessary to determine whether the proposed rates are "unjustly discriminatory" or "unduly preferential" within the terms of G.L. c. 159, § 14. Evidence is necessary to determine whether there is a rational basis to determine whether that treatment is "justified by the cost of the respective services by their values, or by other conditions." Cf. Hull Municipal Light Plan, D.P.U. 87-19-A, p. 42 (1990), aff'd sub nom. Bertone v. Department of Public Utilities, 411 Mass. 536, 545 (1992).

3. Whether the Department's decision in Complaint of MCI WorldCom, D.T.E. 97-116-C (May 19, 1999), in which it relieved Bell Atlantic of its existing obligations to make reciprocal compensation payments should be treated as an exogenous change caused by (1) mandated jurisdictional separation changes, or (2) regulatory, judicial, or legislative changes uniquely affecting the telecommunications industry so that an exogenous cost adjustment reflecting the removal of the reciprocal compensation obligation should be included in the price cap formula. The Attorney General submits that discovery and evidentiary hearings will assist the Department in determining whether a negative exogenous cost adjustment, and its amount, are necessary.

Proposed Discovery Schedule:

The Attorney General recommends that the Department adopt the following expedited discovery procedural schedule:

January 5 Public hearing and procedural conference.

January 21 Parties file requests for evidentiary proceedings.

January 26 Replies to requests for evidentiary proceedings are due.

January 31 Hearing Officer issues decision on evidentiary requests. Rolling discovery period begins, with responses due within 10 calendar days, instead of 10 business days as stated in the Ground Rules.

February 11 Company Pre-filed testimony must be filed.

February 24 All Rebuttal testimony must be filed.

February 29 All discovery must be issued.

March 10 All responses to discovery must be filed.

March 16 Evidentiary hearings held at the Department's offices in Boston beginning

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at 10:00 a.m.

March 24 Record request responses must be filed.

April 6 Initial Briefs filed.

April 13 Reply Briefs filed.

Due to the short time frames between events, the Attorney General recommends that the Department require the parties to serve all documents to all parties and the Department by e-mail

in addition to sending a hard copy, as set forth in the Department's Ground Rules, issued on January 6, 2000, in this docket.

Respectfully submitted,

ATTORNEY GENERAL

THOMAS F. REILLY

Karl en J. Reed

Assistant Attorney General

Regulated Industries Division

Office of the Attorney General

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding by e-mail and either hand delivery, U.S. mail, or fax.

Dated at Boston this 21st day of January 2000.

Karlen J. Reed
Assistant Attorney General
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